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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of

Administration of  
the North American Numbering Plan

CC Docket No. 92-237

**REPLY OF  
THE PERSONAL COMMUNICATIONS INDUSTRY ASSOCIATION**

The Personal Communications Industry Association ("PCIA"),<sup>1</sup> by its attorneys, hereby submits its reply to the comments filed in the above-captioned docket. The majority of the comments confirm that the Commission must carefully examine the North American Numbering Plan Administrator ("NANPA" or "Administrator") proposals considered by the North American Numbering Council ("NANC") and its Evaluation Team.<sup>2</sup> As several

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<sup>1</sup> PCIA is the international trade association created to represent the interests of both the commercial and the private mobile radio service communications industries. PCIA's Federation of Councils includes: the Paging and Narrowband PCS Alliance, the Broadband PCS Alliance, the Specialized Mobile Radio Alliance, the Site Owners and Managers Association, the Association of Wireless System Integrators, the Association of Communications Technicians, and the Private System Users Alliance. In addition, as the FCC-appointed frequency coordinator for the 450-512 MHz bands in the Business Radio Service, the 800 and 900 MHz Business Pools, the 800 MHz General Category frequencies for Business Eligibles and conventional SMR systems, and the 929 MHz paging frequencies, PCIA represents and serves the interests of tens of thousands of licensees.

<sup>2</sup> Comments of AirTouch Communications, Inc., CC Docket No. 92-237 (filed June 20, 1997) ("AirTouch Comments"); Comments of Omnipoint Communications Inc., CC Docket No. 92-237 (filed June 20, 1997) ("Omnipoint Comments"); Comments of WorldCom, Inc., CC Docket No. 92-237 (filed June 20, 1997) ("WorldCom Comments"); Comments of the People of the State of California and the Public Utilities Commission of the State of California on the North American Numbering Council Recommendation, CC Docket No. 92-237 (filed June 20, 1997) ("CPUC Comments"); Comments of Southwestern Bell Telephone Company, Pacific

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commenters noted, NANC never reached a consensus regarding its recommendation and reversed the decision made by its Evaluation Team. Because of the close vote and the limited nature of the disagreement, the Commission should review both proposals and make an independent decision. Although MCI urges the Commission to avoid any delay in selecting a new Administrator because of the importance of beginning the transition to the new NANPA, it is precisely because of this importance that PCIA urges the Commission to ensure that the Administrator is fully prepared to undertake its substantial responsibilities.

**I. COMPARING THE MITRETEK AND LOCKHEED PROPOSAL PRICES WITHOUT STUDYING THE UNDERLYING ISSUES PRODUCES MISLEADING RESULTS.**

As explained in NANC's report to the Commission, NANC's main motivation in reversing the decision of the Evaluation Team and selecting the Lockheed Martin ("Lockheed") proposal over that of Mitretek Systems, Inc. ("Mitretek") was the difference in the costs, with Mitretek's bid being approximately double that of Lockheed.<sup>3</sup> However, if studied closely, the Mitretek proposal includes significantly more staffing and intellectual property rights than the Lockheed proposal. In addition, Mitretek followed the directions of the Requirements Document and submitted a final bid that included all costs. In contrast, to accommodate Lockheed, NANC added a provision allowing the Administrator to raise its price

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Bell and Nevada Bell on the North American Numbering Council's Recommendation Regarding North American Numbering Plan Administrator and Billing and Collection Agent, CC Docket No. 92-237 (filed June 20, 1997); Comments of the Cellular Telecommunications Industry Association, CC Docket No. 92-237 (filed June 20, 1997).

<sup>3</sup> Recommendation of the North American Numbering Council (NANC), CC Docket No. 92-237 at 5 (filed May 15, 1997) ("NANC Recommendation").

if the amount of work increases. When all of these factors are considered, PCIA believes that the Mitretek proposal is comparable in price to that of Lockheed and better fits the needs of the industry.

**A. The difference in the costs of the proposals is primarily due to divergent estimates of necessary staffing.**

In its proposal, Mitretek proposed a staff of 53 employees because it has predicted a high demand for numbering needs over the five-year term of the Administrator. As explained in its comments, Mitretek has done a careful, detailed analysis to justify the level of activity it predicts and the number of individuals needed to ensure that the industry's needs are met.<sup>4</sup> PCIA believes that these estimates are reasonable considering the number of new services that are being deployed and the number of new competitors entering the market. Conversely, Lockheed has proposed an initial staff of 25 employees, and a permanent staff of only 11 people, which several commenters noted is likely insufficient.<sup>5</sup> When considered on the basis of fixed unit prices, such as per staff or per NPA relief activity, the Evaluation Team found that the Mitretek and Lockheed proposals were "comparable and approximately the same."<sup>6</sup> If the price per NPA relief activity is the same, the industry would be better served by the superior overall candidate, which the Evaluation Committee determined was Mitretek.

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<sup>4</sup> Comments of Mitretek Systems, Inc., CC Docket No. 92-237 at 1-17 (filed June 19, 1997) ("Mitretek Comments").

<sup>5</sup> See, e.g., AirTouch Comments at 6-7; Omnipoint Comments at 5; WorldCom Comments at 3; CPUC Comments at 4.

<sup>6</sup> Mitretek Comments at 22.

In addition, Mitretek has included regional offices and staffing in its plan. As the California Public Utilities Commission noted, if all numbering administration activities are consolidated in one part of the United States, other regions may receive poorer service as a result of time zone differentials, and the Administrator may lack local expertise for different regions.<sup>7</sup> In addition, the California Commission is concerned that the “centralized proposal submitted by Lockheed could impair the ability of the staff of this and other western state commissions to participate in number-exhaustion-relief-planning activities .... If it is the NANPA staff who are required to travel to various states to discuss relief planning, the Lockheed proposal may have underestimated travel expense.”<sup>8</sup>

Thus, it appears that Lockheed’s exceedingly low estimate of the necessary staff, and to a lesser degree its travel expense assessment, are responsible for the majority of the price differential between the Lockheed and Mitretek proposals. The Commission’s own estimates and a study of past numbering activity show that a staff of 53 persons is likely to be necessary.<sup>9</sup> Also, as noted by AirTouch, “Lockheed’s offer to increase staff ‘as necessary’ suggests that Lockheed’s approach is to wait until problems arise before adequate staff is hired, trained and positioned.”<sup>10</sup> Numbering administration is simply too important a task to wait for problems to develop before taking action.

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<sup>7</sup> CPUC Comments at 4-5.

<sup>8</sup> CPUC Comments at 5-6.

<sup>9</sup> Mitretek Comments at 3-16.

<sup>10</sup> AirTouch Comments at 7.

**B. Mitretek provided a firm price for all administration activities.**

As Mitretek explained in its comments, the Requirements Document developed by NANC required firm, fixed pricing for all bids. Mitretek complied with that instruction when preparing its bid.<sup>11</sup> However, NANC then changed the rules and adopted a new proposal that would allow the Administrator to request additional funds if “the number of NPAs requiring relief per year or the number of NPA relief meetings per NPA exceed 120% of its stated assumptions for the above tasks at the time of its selection.”<sup>12</sup> Lockheed seems to have incorporated this adjustment mechanism into its bid, whereas Mitretek did not.<sup>13</sup> Because Lockheed’s estimate of NPA activities is significantly smaller than Mitretek’s, Lockheed’s bid was also lower.

PCIA believes that NPA activities are much more likely to approach the estimates used by Mitretek rather than those of Lockheed. In addition, a firm price for administration services allows the industry to budget for such costs whereas a varying price could result in unexpected costs for members of the industry. This uncertainty would be particularly troublesome for smaller companies and new entrants, such as many of the wireless service providers included within PCIA’s membership.

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<sup>11</sup> Mitretek Comments at 17-18.

<sup>12</sup> NANC Recommendation at 17.

<sup>13</sup> Mitretek Comments at 19-20.

**C. Mitretek's proposed price includes all systems and software used for numbering administration.**

In its proposal, Mitretek has clearly stated that it will make all systems and software available to NANC for use by future Administrators.<sup>14</sup> Lockheed, however, has promised only to “provide intellectual property rights for *certain* systems, software and support documentation used in NANP/CO Code administration *specifically developed* to support NANP/CO Code administration functions.”<sup>15</sup> Lockheed has thus not included in its price all of the systems and software it will be using, whereas Mitretek has. If Lockheed were selected as Administrator and then a different entity were selected for the following term, the industry would either have to pay additional costs to obtain all of Lockheed's systems or pay the new Administrator to redo work Lockheed had already completed.<sup>16</sup> Accounting for these costs significantly raises the price of Lockheed's services.

**II. THE COMMISSION MUST ENSURE THAT THE ENTITY SELECTED AS ADMINISTRATOR WILL BE PREPARED TO UNDERTAKE THESE SIGNIFICANT RESPONSIBILITIES.**

As PCIA explained in its comments, prompt number availability is critically important to all industry participants, including wireless carriers. New entrants in particular will suffer if new numbers are not available on a timely basis. MCI states that “[t]he costs and competitive risks associated with further delays to numbering administration reform clearly

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<sup>14</sup> NANC Recommendation at 11.

<sup>15</sup> NANC Recommendation at 8 (emphasis added).

<sup>16</sup> See WorldCom Comments at 4; CPUC Comments at 7; Omnipoint Comments at 3-4; AirTouch Comments at 8.

outweigh any potential benefits of further ‘tweaking’ the recommendations.”<sup>17</sup> PCIA disagrees. PCIA and other commenters have noted significant problems with Lockheed’s proposal that require careful examination rather than merely a small adjustment. Choosing an Administrator unable to carry out its responsibilities would be substantially worse for the industry than the delay associated with ensuring that the best Administrator is selected.

MCI stresses that Lockheed should be selected as Administrator because “Lockheed’s price is \$22.5 million less than that of Mitretek to perform equivalent services.”<sup>18</sup> However, as explained above, Lockheed is *not* offering to perform equivalent services, and when the two bids are compared in price per NPA activity, the Evaluation Team found them to be equivalent. In addition, MCI emphasizes two key aspects of the NANC requirements that Lockheed has not agreed to meet. First, MCI notes the importance of ensuring that intellectual property rights in all systems and software be available to future Administrators.<sup>19</sup> MCI, however, fails to note that Lockheed has not agreed to make all systems available, but rather only “certain” systems.<sup>20</sup>

Second, MCI stresses the importance of a fixed price for numbering administration to give certainty to the industry.<sup>21</sup> Nonetheless, MCI then cites the provision allowing the

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<sup>17</sup> Comments of MCI Telecommunications Corporation, CC Docket No. 92-237 at 8 (filed June 20, 1997) (“MCI Comments”).

<sup>18</sup> MCI Comments at 10.

<sup>19</sup> MCI Comments at 13-15.

<sup>20</sup> MCI Comments at 15.

<sup>21</sup> MCI Comments at 15-19.

Administrator to increase costs if numbering administration needs exceed 120 percent of those in the proposal. It is exactly this provision that causes uncertainty for the industry. MCI also ignores the fact that Lockheed and Mitretek had different estimates of future numbering needs, which is the determining factor for whether the Administrator would reach the threshold for additional costs. PCIA's members and all other carriers will be contributing to fund numbering administration on the same basis as MCI and have every incentive to ensure that costs are minimized. However, the comments have demonstrated that the difference in price between the Lockheed and Mitretek proposals may be illusory and that short term cost savings may compromise the timeliness and effectiveness of numbering administration.



### III. CONCLUSION

Efficient, effective numbering administration is critical to ensuring competition and encouraging new entrants in the telecommunications marketplace. Because of the important role the NANPA will play in this process, the entity chosen must fully understand and be able to meet its substantial responsibilities. Therefore, PCIA urges the Commission to review carefully the proposals submitted by Lockheed and Mitretek and select the entity most prepared to serve as NANPA.

Respectfully submitted,

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July 3, 1997

## **CERTIFICATE OF SERVICE**

I hereby certify that on this 3<sup>rd</sup> day of July, 1997, I caused copies of the foregoing  
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